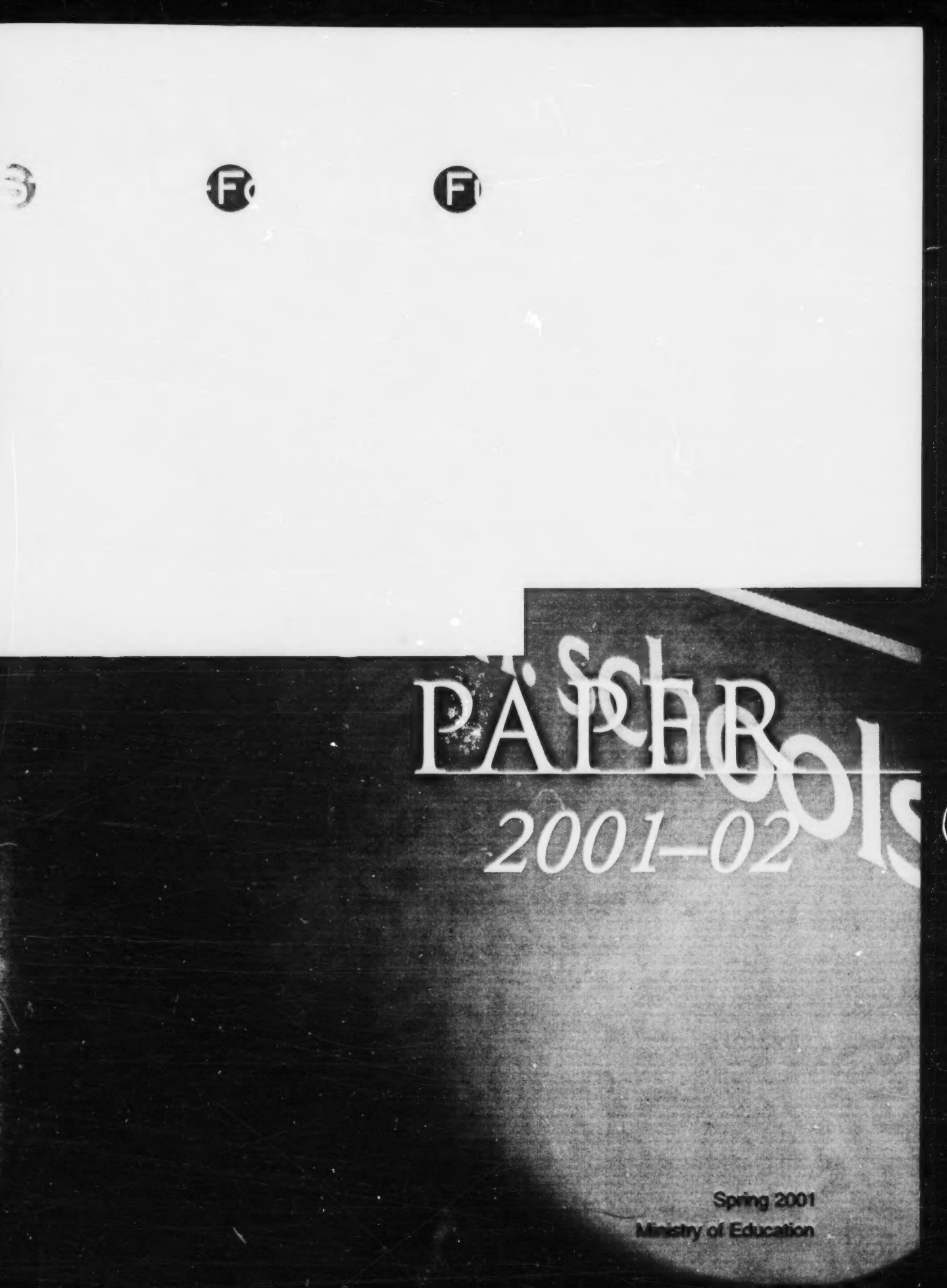
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2001–02
Spring 2001
Ministry of Education

Student-Focused Funding

Technical Paper
2001–02

Spring 2001
Ministry of Education

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Introduction

Purpose

This paper contains details of the grant formulas and other criteria for student-focused funding for the 2001–02 school year. It is intended to provide partners in education with an overview of the formulas school boards use to calculate their 2001–02 allocations for budgeting and financial reporting purposes.

The grant formulas outlined in this document are included in the Student-Focused Funding: Legislative Grants for 2001–02 regulation, and the regulations on the Calculation of Average Daily Enrolment for the 2001–02 School Board Fiscal Year, and the Calculation of Fees for Pupils for the 2001–02 School Board Fiscal Year.

This paper reflects changes in student-focused funding introduced in May 2001.

Changes for 2001–02

A summary of the changes from the 2000–01 student-focused funding approach is provided below with details outlined in the relevant sections of this paper.

Local Priorities Amount

For 2001–02, a new Local Priorities amount has been added to the Foundation Grant to provide additional flexibility for school boards to direct resources to local priorities. This Local Priorities amount provides $100 for each elementary and secondary student (on an average daily enrolment [ADE] basis). Province-wide, the new Local Priorities amount adds about $200M to school boards' revenue.

Increased Flexibility

In 2001–02, school boards will have increased flexibility to use revenue from student-focused funding to address local priorities.

The enveloping provisions of the regulations set limits on how boards can spend student-focused funding. These provisions have been adjusted to provide greater flexibility.

- A flexible fund for each school board establishes the total amount of its revenue that can be used without limitations. This "flexible fund" is the total for each board of:
  - the Local Priorities amount, noted above,
  - any increase in its Remote and Rural allocation, and

- any other additional increase in its operating funding between 2000–01 and 2001–02 (before the OMERS adjustment).

This creates a total flexible fund among all school boards that is equivalent to the total increase in student-focused funding in 2001-02 ($360M).

- Boards may use the amount of their "flexibility fund" for expenditures in either classroom or nonclassroom envelopes.
- Boards may allocate part or all of the amount of their "flexibility fund" to expenditures on administration or governance.
- Boards may use flexibly any increase to funding for special education.
- The provisions of the capital spending envelope remain unchanged.

School boards will continue to be accountable for how they use **all** the revenue they receive from student-focused funding, including the amount of revenue now in their flexibility fund. They will continue to report, as in past years, how they have used all their funding, and the extent to which the funding has been used for classroom expenditures, special education, capital, and administration and governance.

Remote and Rural Funding

In 2000–01, the ministry made a commitment to examine the eligibility criteria used for the Remote and Rural allocation. Having consulted directly with most of the boards affected, the ministry, working with a reference group from rural and northern boards, has refined the criteria to better reflect the factors that drive up the costs of educating students in rural and northern communities. The changes in criteria will enhance funding to some boards and provide new funding to boards that were ineligible in 2000–01. These changes affect both the Remote and Rural allocation and the Administration and School Board Administration and Governance Grant.

Literacy and Math Programs Outside the School Day

Last March, the government committed funding for before- and after-school and summer-school remedial programs for at-risk students in Grades 7 to 10. For 2001–02, the funding will again be available to boards. In addition, the per pupil funding for these classes has been increased to make these programs more effective. This increase affects summer school programs, as well as programs outside the school day, beginning in the summer of 2001.

Capital-Related Debt

School boards are carrying debt commitments that were made before student-focused funding was introduced in 1998. When the new funding approach was announced, the government indicated that it would provide funding for these prior commitments for three years, ending in the 2000–01 school year. The government will continue to provide funding for boards to maintain interest and principal repayments for capital-related debt until this debt is retired.

Targeted Funding for New School Construction

Funding for new pupil places has until now used board-wide measures of need. This approach remains appropriate in most instances. In some circumstances, however, boards have local accommodation pressures that are not addressed by the current criteria. For example, some boards that need new schools in one area do not qualify for new pupil places funding because, on a board-wide basis, schools are under-utilized. For 2001–02, the criteria for new pupil places funding have been refined so that boards have more flexibility to address their accommodation pressures.

Ongoing Refinements in 2001–02

Special Education

Intensive Support Amount (ISA)

In response to recommendations from our education partners, the ministry will be introducing refinements to ISA funding over the 2001–02 and 2002–03 school years.

Boards will complete a comprehensive review of ISA claims over an extended period (beginning in September 2001 and ending October 31, 2002), based on clarified ISA eligibility criteria. The objective of the comprehensive review will be to establish a new baseline of ISA-eligible files that more accurately reflects each board's demonstrated level of need. The revised criteria are expected to be released by August 2001.

To protect special education programs in 2001–02 during the course of the review, funding for the ISA component of the Special Education Grant will be kept stable for the 2001–02 school year. All boards will receive the same amount of ISA funding as they received in 2000–01 (adjusted for portability). This stable funding approach will be reviewed for the 2002–03 school year.

Once a new baseline of ISA-eligible claims is established, new ISA funding allocations will be implemented for all boards by the 2003–04 school year, based only on boards' demonstrated incidence of students with special needs. To reduce the annual administrative effort required, boards will only claim new files each year for students who are new to the Ontario school system or whose needs have changed. Each board's funding for students with special needs will be adjusted for new eligible claims and for students who leave the board.

Special Education Programs in Facilities (Section 19 Programs)

Student-focused funding provides funding for education programs for children and youth in various local facilities and institutions, including hospitals, children's mental health centres, psychiatric institutions, detention and correctional facilities, community living/group homes, and other social services agencies.

These classrooms are commonly called Section 19 programs (because of the section number of the Student-Focused Funding: Legislative Grants regulation that authorizes their funding). As announced in the Budget on May 9, 2001, the funding benchmarks for Section 19 programs will be increased by $4M so that more students can benefit from educational programs in these facilities.

Specialized Equipment: Boards in Children's Hospitals

The ministry is also making it easier for a student's specialized equipment to travel with a student, when that student transfers from a hospital setting in a school authority to a school in a district school board.

Transportation

The ministry is finalizing a new funding approach that uses technology as a key component in the calculation of future student transportation grants. As part of the new funding approach, the ministry is encouraging school boards to make their transportation services more efficient by working in consortia with other boards.

In March 2000, a $7M interest-free loan was announced to help boards implement student transportation management technology. The repayment date has been extended to the 2002–03 school year.

Further Information

If you have any questions about the material in this paper, please contact your Ministry of Education district office finance officer or the following branches of the ministry:

Education Finance Branch	(416) 325-2830
Business Services Branch	(416) 325-4242
Transfer Payments and Financial Reporting Branch	(416) 314-3711

Student-Focused Funding Grants

Student-focused funding consists of a Foundation Grant, nine special purpose grants, and a grant for Pupil Accommodation as summarized below.

FOUNDATION GRANT	Classroom teachers Teaching assistants Textbooks and learning materials Classroom supplies Classroom computers Library and guidance services Professional and para-professional supports Preparation time In-school administration Classroom consultants Local priorities amount
SPECIAL PURPOSE GRANTS	1. Special Education Grant 2. Language Grant 3. Geographic Circumstances Grant 4. Learning Opportunities Grant 5. Continuing Education and Other Programs Grant 6. Teacher Compensation Grant 7. Early Learning Grant 8. Transportation Grant 9. School Board Administration and Governance Grant
PUPIL ACCOMMODATION GRANT	School Operations Facilities Renewal New Pupil Places Outstanding Capital Commitments Debt Charges

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Foundation Grant

The Foundation Grant supports the components of a classroom education that are required by and generally common to all students. For this school year, $7.64B has been allocated for this grant, which consists of the components below.

ELEMENTARY	# staff per 1,000 students		average salary + % benefits	$ per pupil for supplies and services	$ allocation per pupil
Classroom Teacher Class size: 24.5:1	Class Teacher	40.82	50,975 + 12%		2,330
	Supply Teacher			83	83
	Staff development			11	11
Teaching Assistants		0.2	22,590 + 16%		5
Textbooks and Learning Materials				75	75
Classroom Supplies				77	77
Classroom Computers				43	43
Library and Guidance Services	Teacher Librarian	1.30	50,975 + 12%		74
	Guidance Teacher	0.20	50,975 + 12%		11
Professional/Para-Professional Supports		1.33	43,686 + 14.8%		67
Prep Time		4.08	50,975 + 12%		233
In-School Administration	Principal	2.75	79,296 +12%		244
	Vice-Principal	0.75	72,360 +12%		61
	Department Head	0			123
	Secretary	3.67	28,346 +18%		
				5	5
Classroom Consultants		0.48	70,171 +12%		38
Local Priorities Amount					100
TOTAL FOUNDATION GRANT		**55.58**		**379**	**3,580**

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	Vice-Principal	0.75	72,360 +12%		61
	Department Head	0			123
	Secretary	3.67	28,346 +18%		
				5	5
Classroom Consultants		0.48	70,171 +12%		38
Local Priorities Amount					100
TOTAL FOUNDATION GRANT		**55.58**		**379**	**3,580**

SECONDARY	# staff per 1,000 students		average salary + % benefits	$ per pupil for supplies and services	$ allocation per pupil
Classroom Teacher	Class Teacher	42.86	50,975 + 12%		2,447
Class size: 21:1	Supply Teacher			61	61
	Staff development			12	12
	Teacher Adviser	1.09	50,975 + 12%		62
Teaching Assistants		0			0
Textbooks and Learning Materials				100	100
Classroom Supplies				173	173
Classroom Computers				56	56
Library and Guidance Services	Teacher Librarian	1.10	50,975 + 12%		63
	Guidance Teacher	2.60	50,975 + 12%		148
Professional/Para-Professional Supports		2.1	43,686 + 14.8%		105
Prep Time		8.79	50,975 + 12%		502
In-School Administration	Principal	1.10	86,479 + 12%		106
	Vice-Principal	1.50-	76,337 +12%		128
	Department Head allowances	9.00	3,262 + 12%		33 188
	Secretary	5.33	29,859 + 18%		
				5	5
Classroom Consultants		0.54	70,171 + 12%		42
Local Priorities Amount					100
TOTAL FOUNDATION GRANT	**(excluding department heads)**	**67.01**		**482**	**4,331**

SECONDARY	# staff per 1,000 students	average salary + % benefits	$ per pupil for supplies and services	$ allocation per pupil
Classroom Teacher Class size: 21:1	Class Teacher 42.86 Supply Teacher Staff development Teacher Adviser 1.09	50,975 + 12% 50,975 + 12%	 61 12 	2,447 61 12 62
Teaching Assistants	0			0
Textbooks and Learning Materials			100	100
Classroom Supplies			173	173
Classroom Computers			56	56
Library and Guidance Services	Teacher Librarian 1.10 Guidance Teacher 2.60	50,975 + 12% 50,975 + 12%	 	63 148
Professional/Para-Professional Supports	2.1	43,686 + 14.8%		105
Prep Time	8.79	50,975 + 12%		502
In-School Administration	Principal 1.10 Vice-Principal 1.50- Department Head allowances 9.00 Secretary 5.33	86,479 + 12% 76,337 +12% 3,262 + 12% 29,859 + 18%	 5	106 128 33 188 5
Classroom Consultants	0.54	70,171 + 12%		42
Local Priorities Amount				100
TOTAL FOUNDATION GRANT	**67.01 (excluding department heads)**		**482**	**4,331**

x8

Calculations Concerning Secondary Classroom Teachers and Teaching Time

The Foundation Grant provides funding for secondary classroom teachers that is based on the legislated teaching time and class size standards. The grant is based on:

- the legislated standard that, at a secondary school level, teachers are assigned to provide instruction to pupils for a minimum average of at least 6.67 eligible courses (including 0.17 of a course for teacher adviser time) in a day school program during the school year;
- the provincial standard for average secondary class sizes (21:1); and
- an average per pupil credit load of 7.2 credits per student.

On May 7, 2001, the Minister of Education announced significant new directions to improve supports to students. Subject to the approval of the Legislature and completion of the required regulatory changes, the ministry intends to introduce changes to support boards' flexibility to improve the environment of the province's schools.

Measures that the government is proposing include giving school boards the flexibility to vary the average secondary class size by up to one student, while maintaining the funding level at an average secondary class size of 21 students, and changing the definition of instructional time. These changes, if approved, will significantly increase the flexibility of boards and school principals to schedule teaching time assignments, and increase the flexibility of school boards to reallocate resources to local priorities. These proposed changes will not affect student-focused funding regulations, or funding levels of school boards.

Description of Foundation Grant Components

Classroom Teachers

Salaries and benefits (which include the normal cost of retirement gratuities) for classroom teachers (including teacher adviser duties at the secondary level), supply and occasional teachers to cover absences, and professional development for teachers.

Teaching Assistants

Salaries and benefits for teaching assistants who support teachers in the classroom, primarily in Junior Kindergarten (JK) and Senior Kindergarten (SK).

Textbooks and Learning Materials

Textbooks, workbooks, resource materials, updating library materials, instructional software, CD ROMs, Internet expenses, and technology supporting distance education.

Classroom Supplies

Other classroom supplies, such as paper, pens, pencils and other materials; classroom equipment.

Classroom Computers

Classroom computers (hardware only) and the associated network costs.

Library and Guidance Services

Salaries and benefits for teacher librarians and guidance teachers. Guidance teachers at the elementary level are those providing guidance primarily to Grades 7 and 8 pupils.

Professional and Paraprofessional Services

Salaries and benefits for staff who provide support services to students and teachers, and includes attendance counsellors, social workers, child/youth workers, community workers, and computer technicians. Professionals and paraprofessionals who provide support for special education, such as psychologists, psychometrists, and speech pathologists, are funded through a combination of the Foundation Grant, the Special Education Grant, and some special purpose grants (such as the Geographic Circumstances Grant).

Preparation Time

Salaries and benefits for extra teachers needed to allow teachers nonclass time for lesson preparation, marking, and consulting other professionals and parents.

In-School Administration

Salaries and benefits for principals, vice-principals, department heads at the secondary level, and school clerical staff, as well as supplies for school administration purposes, including for school councils.

Classroom Consultants

Salaries and benefits for teacher consultants and coordinators (for example, reading specialists, program specialists who assist teachers in developing curriculum or with individual students).

Local Priorities Amount

Funding that gives boards additional flexibility to direct these resources to meet their local needs.

Special Purpose Grants

The costs of education differ depending on the needs of an individual student and where that student lives. Student-focused funding's special purpose grants are designed to respond to the differences, by recognizing the specialized programs for students with special needs, and the differences in supports that students require related to language proficiency, location, transportation, and other variations in personal and local circumstances. The nine special purpose grants are as follows:

Grant	Student-Focused Funding * ($ Million)
Special Education	$1,372
Language	$408
Geographic Circumstances	$188
Learning Opportunities	$280
Continuing Education and Other Programs	$138
Teacher Compensation	$612
Early Learning	$13
Transportation	$581
School Board Administration and Governance	$453

* These amounts are Ministry of Education projections for the 2001–02 school year. Actual funding will vary based on board enrolment and board program decisions.

Special Education

The Special Education Grant provides funding for exceptional pupils and other students with special needs. This funding is intended to support the additional programs, services, and equipment required to meet the educational needs of these students.

The Special Education Grant includes two components: the Special Education Per Pupil Amount (SEPPA) and the Intensive Support Amount (ISA).

For 2001–02, a projected total of $1.37B is available in the Special Education Grant distributed as follows:

SEPPA	$729.4M
ISA Level 1	$5.0M
ISA Levels 2 and 3	$567.9M
ISA Level 4	$70.5M
Total	$1.37B

The amount for ISA 2 and 3 includes an allocation of $2.5M for the Special Incidence Portion (SIP).

SEPPA (Special Education Per Pupil Amount)

The SEPPA portion is allocated to boards on the basis of total enrolment. SEPPA recognizes the costs of providing additional assistance to the majority of students with special needs. The SEPPA amounts for 2001–02 are:

$500 per JK to Grade 3 student
$376 per Grade 4 to Grade 8 student
$243 per Grade 9 to OAC student.

ISA (Intensive Support Amount)

ISA funding is determined through an annual validation process that requires school boards to submit claims to the ministry for student files that meet ISA criteria. To determine ISA funding, the ministry audits claims to ensure that they meet eligibility criteria set out in ISA profiles.

Beginning in the 2001–02 school year, this ISA claim and audit process will be extended to provide school boards with a longer period to review their ISA claims against clarified eligibility criteria and to have these claims audited. The ministry expects to release clarified ISA eligibility criteria and implementation supports for ISA Levels 2 and 3 by August 2001, in an addendum to the 2001–02 *Intensive Support Amount (ISA): Guidelines for School Boards*.

ISA funding will remain stable for all boards in 2001–02 as they undertake this comprehensive claims review process (net of any portability adjustments).

ISA funding has 4 levels:

ISA 1

This level covers the incremental cost of an individual student's equipment needs in excess of $800 in the year of purchase. Boards are expected to cover the first $800. For example, a board with a student requiring an adapted computer that costs $3,000 would receive $2,200 in ISA funding, if approved.

ISA 1 claims in excess of $6,000 per student require Ministry of Education district office approval.

Funding is portable. Equipment will normally travel with the student if the student transfers to another board.

ISA 2 and 3

These levels cover the cost of providing the intensive staff supports required by the small number of pupils with very high needs. For 2001–02, ISA 2 and 3 funding will be held stable. No board will receive less funding than it received in 2000–01 (net of portability).

Over the extended claims review process, boards will be required to provide information on their ISA Level 2 and 3 pupils in accordance with the refined eligibility criteria.

A Special Incidence Portion (SIP) may also be approved by the Minister to support ISA pupils with exceptionally high needs. Eligibility criteria for SIP are outlined in the 2001–02 *Intensive Support Amount (ISA) Guidelines for School Boards*. SIP claims require Ministry of Education district office approval.

Funding is portable. An in-year adjustment will be made if students whose files were claimed for ISA 2 or ISA 3 move from one board to another.

ISA 4 (Special Education Programs in Facilities)

This level provides funding for programs for pupils who are receiving their education in faciliies such as hospitals, children's mental health centres, psychiatric institutions, detention and correctional facilities, community living/group homes, and other social services agencies. These programs are often called Section 19 programs because of the section number of the Student-Focused Funding: Legislative Grants regulation that authorizes their funding.

The ministry approves a budget for each Section 19 classroom and provides funding to school boards to deliver the programs. Funding approvals are reduced for boards where a program operates on a smaller scale than was projected, or ceases to operate during the school year.

Language Grant

The Language Grant has five components:

- French as a First Language,
- French as a Second Language,
- Language of Instruction – English as a Second Language/English Skills Development (ESL/ESD),
- Language of Instruction – Actualisation linguistique en français/Perfectionnement du français (ALF/PDF), and
- Native Language.

Total funding of $408M is projected for the Language Grant.

French as a First Language

This funding, which is available to French-language boards only, recognizes the higher instructional, materials, and program support costs incurred in providing French-language programs. Funding benchmarks for 2001–02 are $391 per elementary pupil and $631 per secondary day school pupil (on the basis of average daily enrolment [ADE]), excluding pupils aged 21 and over.

Start-up funding for new elementary classes in French is provided at the rate of $10,800 for each new elementary school established by a board in 2001–02.

French as a Second Language (FSL)

This funding, which is available to English-language boards only, provides for the additional costs of providing core French, extended French, and French immersion programs. Funding is based on the number of pupils enrolled in these programs and varies with the average daily length of the program.

At the elementary level, funding is provided for core and extended French based on enrolment in French programs for Grades 4 to 8. French immersion programs, if offered by the board, are funded based on enrolment in French programs for Junior Kindergarten to Grade 8.

Current ministry policy requires that each elementary student accumulate at least 600 hours of French-language instruction by the end of Grade 8. School boards are required to plan their French-language programs so that students are able to meet this requirement.

Funding for French as a second language programs is provided on the same basis as in 2000-01.

French as a Second Language (FSL) – Elementary

Average daily length of program		Allocation per pupil enrolled in the program
20 – 59 minutes	(Core)	$232
60 – 149 minutes	(Extended)	$264
150 minutes or more (Grades 1 to 8) 75 minutes or more (JK/K) (Immersion)		$295

French as a Second Language (FSL) – Secondary

The funding is established according to credits as follows:*

Grades	Allocation per pupil credit – French as a subject	Allocation per pupil credit – subjects other than French taught in French
9 and 10	$59	$97
11, 12, and OAC	$78	$150

Language of Instruction

This funding is for English-language school boards that provide English-language instruction in regular day school programs for pupils whose first language is not English, and for French-language school boards that provide French-language instruction to pupils with limited competencies in French, but who are entitled to French-language education or where an admissions committee permits them to attend a school where instruction is given in French.

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* Data source:
Elementary School September Report, 2001 – pupils enrolled on October 31, 2001, Section F
Secondary School September Report, 2001 – pupil credits on October 31, 2001, Section F
Secondary School March Report, 2002 – pupil credits on March 31, 2002, Section F.

These programs provide those pupils with an opportunity to participate in regular instruction classes as soon as possible. The measures used to calculate board funding for these components are not intended to count every student who requires support. Rather, the measures use available data to determine each school board's relative share of need, based on a sample of students. School boards have flexibility about how to use this funding for specific students.

English as a Second Language/English Skills Development (ESL/ESD)

The funding is available to English-language boards and is based on the following two components:

1) This first component ("recent immigrants") provides a total of $5,077 per eligible student over three years and is based on the number of immigrant pupils from countries where English is not a first or standard language.

   The formula takes into account three years of data. The of eligible pupils under this criteria are weighted using the following factors:

   - 1.0 for pupils who entered Canada during the last school year, including September and October 2001 (in other words, September 1, 2000, to October 31, 2001)
   - 0.6 for pupils who entered Canada during the previous school year (September 1, 1999, to August 31, 2000)
   - 0.3 for pupils who entered Canada during the two school years previous (September 1, 1998 to August 31, 1999).*

2) The second component ("pupils in Canada") is calculated by the ministry based on Statistics Canada data on the number of children aged 5 to 19 years whose language spoken most often at home is neither English nor French. This data is a proxy measure for the relative ESL/ESD need among boards for pupils not covered by the first component. Each board's allocation is set out in Table 2 of the 2001–02 student-focused funding grant regulation. The distribution among boards is calculated as follows:

$$\frac{\text{Number of children described above within board's area}}{\text{Provincial total of children described above}} \times \$21M$$

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* Data source: September School Reports – Principals are required to report under Section E of the *Elementary School September Report, 2001,* and Section E of the *Secondary School September Report, 2001*, the number of pupils enrolled in the schools, who entered Canada during the last three years from a country where English is not a first or standard language. Schools are required to keep appropriate immigration information in a pupil's Ontario Student Record (OSR) to support the number of pupils reported as having entered Canada during the last three years.

The distribution of children aged 5 to 19 between public and separate boards is based on the number of pupils residing within each enumeration area and on assessment data.*

TOTAL ESL/ESD ALLOCATION

ESL/ESD allocation = *Total number of weighted recent immigrant pupils (under 1 above)* x *$2,672* + *Allocation for pupils in Canada (under 2 above)*

French-Language Instruction (ALF/PDF)

The funding is available to French-language boards and is based on the following two components: Actualisation linguistique en français (ALF) and Perfectionnement du français (PDF).

Actualisation linguistique en français (ALF)

This component of the funding is designed to assist French-language school boards in providing language instruction to pupils who are entitled to French-language education by virtue of Section 23 of the *Canadian Charter of Rights and Freedoms* and who have limited or no competencies in French, or use a variety of language that is different from standard French.

The ALF funding component under student-focused funding for language of instruction is based on the following three factors and is calculated separately for each geographic area within the French-language public (or separate) board that is coterminous with the English-language public (or separate) board:

i) BASIC LEVEL OF SERVICE

Elementary:	1 instructional unit/200 pupils for the first 200 pupils
Elementary:	1 instructional unit/400 pupils for the next 1,600 pupils
Elementary:	1 instructional unit/750 pupils for the remainder of pupils
Secondary:	1 instructional unit/400 pupils for the first 1,200 pupils
Secondary:	1 instructional unit/750 for remainder of pupils

* Data source: Statistics Canada, 1996 Census – information on the 5 to 19 years population group where the language spoken most often at home is neither English nor French.

ii) ASSIMILATION FACTOR

The assimilation factor is based on the percentage of students in French-language instructional units over total students (English and French) within the coterminous geographic areas within the French-language district school board (as referred to above).

1.5 for 0–10 %

1.0 for 10–100 %

The Assimilation Factors are listed in Table 3 of the student-focused funding grant regulation.

iii) COST PER INSTRUCTIONAL UNIT

The cost per instructional unit for 2001–02 is determined on a combined panel basis (elementary and secondary).

Elementary $61,664

Secondary $61,664

Total ALF Allocation

The total ALF allocation for the French-language boards are the sum of the ALF funding components calculated for each geographic area within the French-language board that is coterminous with an English-language public (or separate) board:

ALF funding *(for each geographic area)* = *number of instructional units for basic level of service* x *assimilation factor* x *cost per instructional unit*

Perfectionnement du Français (PDF)

The second component is for PDF programs and is based on the number of immigrant pupils who do not have Section 23 rights under the *Charter*, and who entered Canada during the last three years from countries where French is a language of administration or schooling.

The PDF program is intended for pupils who have been admitted in the schools through the board's admissions committee. These pupils are generally born outside Canada and have one of the following characteristics:

i) they speak a variety of language that is different from standard French,

ii) their schooling has been interrupted, or

iii) they have little knowledge of Canada's two official languages and/or need to familiarize themselves with the new environment.

The PDF funding component is based on the number of immigrant pupils who entered Canada during the last three years from countries where French is a language of administration or schooling and who have one of the three characteristics identified above.

The formula will take into account three years of data. The number of eligible pupils under this criteria are weighted using the following factors:

- 1.0 for pupils who entered Canada during the last year, including September and October 2000 (in other words, September 1, 2000 to October 31, 2001)
- 0.6 for pupils who entered Canada during the previous school year (September 1, 1999 to August 31, 2000)
- 0.3 for pupils who entered Canada during the two school years previous (September 1, 1998 to August 31, 1999)

Total PDF Allocation

PDF funding = *Total number of weighted recent immigrant pupils* x *$2,672*

TOTAL ALF/PD ALLOCATION

ALF/PDF allocation = *Total of ALF funding (under 1 above)* + *Total of PDF funding (under 2 above)*

Native Language – Aboriginal Languages (NL)

This funding assists school boards that provide Native-language programs. Funding is based on the number of pupils enrolled in the program and the average daily length of the program as set out in the following tables.

Native Language (NL) – Elementary

Average daily length of program	Allocation per pupil enrolled in the program
20 – 39 minutes	$222
40 minutes or more	$395

Native Language (NL) – Secondary

The funding is established according to credits as follows:*

Level/Grades	Allocation per pupil credit
9 and 10	$59
11, 12, and OAC	$78

* Data source:
Elementary School September Report, 2001 – pupils enrolled on October 31, 2001, Sections G and H
Secondary School September Report, 2001 – pupil credits on October 31, 2001, Sections G and H
Secondary School March Report, 2002 – pupil credits on March 31, 2002, Sections G and H

Geographic Circumstances Grant

The Geographic Circumstances Grant is designed to recognize the additional costs of operating small schools in isolated areas, and costs that are associated with the geography of boards (including board size and widely-dispersed schools).

The components of the Geographic Circumstances Grant are as follows:

- Small Schools (including an allocation for principals)
- Remote and Rural Boards.

Total funding of $188M is projected for the Geographic Circumstances Grant.

Small Schools Allocation

Student-focused funding provides additional financial assistance through a Small Schools allocation to offset the higher per pupil cost of programs in small schools.

Small elementary schools are defined as schools having fewer than an average of 20 pupils per grade, located 8 or more kilometres from other elementary schools of the board.

Small secondary schools are defined as schools having fewer than an average of 120 pupils per grade, located 32 or more kilometres from other secondary schools of the board.

Detailed Calculation of Small Schools Allocation – Elementary

Sum for all schools of:

$$\textit{Small School Allocation} = \textit{School factor} \times \textit{Remoteness factor} \times \textit{School enrolment} \times \$6{,}088$$

School Factor

= 1.0 for schools with fewer than 2 pupils per grade,

= a sliding scale between 1.0 and 0.2 for schools with between 2 and 10 pupils per grade,

$$0.2 \times \left(\frac{10}{\textit{Pupils per grade of School A}} \right)$$

= a sliding scale between 0.2 and 0 for schools with between 10 and 20 pupils per grade,

$$0.2 \times \left(1 - \frac{\text{Pupils per grade of School A} - 10}{10}\right)$$

Where there are two or more schools within 8 kilometres of each other (within the same board), the calculation of the adjusted pupils per grade is done by combining the enrolment of the schools and calculating the pupils per grade as though these schools were one school.

$$\text{Where pupils per grade for School A} = \frac{\text{Enrolment of School A}}{\text{Number of grades of School A}}$$

Remoteness Factor

= 1.50 for schools or portions of a twinned or annexed school located more than 80 kilometres from all other elementary schools or portions thereof under the jurisdiction of the board, and

= 1.25 for schools or portions of a twinned or annexed school located more than 32 kilometres and fewer than 80 kilometres from all other elementary schools or portions thereof under the jurisdiction of the board, and

= 1.0 for all other schools.

In determining the distance for a French-language public (or separate) school, only those French-language public (or separate) schools located within the jurisdictional boundary of a coterminous English-language public (or separate) board are to be considered, and this determination is to be done separately for each of the English-language public (or separate) board jurisdictions with which the French-language public (or separate) board is coterminous.

School Enrolment Means the full-time equivalent day school enrolment at October 31, 2001. JK and K are counted as 0.5 FTE. In the case of combined programs, JK and K enrolment is counted as 0.4 FTE and 0.6 FTE.

For purposes of calculating the number of grades, Junior Kindergarten and Kindergarten are counted as 0.5 grade each. Special education or "ungraded" is not counted as a grade. Only grades with actual pupil enrolment are to be counted for the purpose of determining pupils per grade.*

* Data Source: 2001 September School Reports

Detailed Calculation of Small Schools Allocation – Secondary

Sum for all schools of:

$$\textit{Small School Allocation} = \textit{School factor} \times \textit{Remoteness factor} \times \textit{School enrolment} \times \$6{,}088$$

School Factor = 0.45 for schools with fewer than 20 pupils per grade,

= for schools with between 20 and 60 pupils per grade,

$$0.15 \times \left(\frac{60}{\textit{Pupils per grade of School A}} \right)$$

= For schools with between 60 and 120 pupils per grade,

$$0.15 \times \left(1 - \frac{\textit{Pupils per grade of School A} - 60}{60} \right)$$

$$\textit{Where pupils per grade for School A} = \frac{\textit{Enrolment of School A}}{\textit{Number of grades of School A}}$$

Remoteness Factor = in the case where School A is located more than 80 kilometres from all other secondary schools under the jurisdiction of the board, the school factor of School A is increased by the factor defined below:

For schools with fewer than 20 pupils per grade, remoteness factor = 2.0

For schools with between 20 and 120 pupils per grade:

$$\textit{Remoteness Factor} = 1 + \left(\frac{40}{\textit{Pupils per grade of School A} + 20} \right)$$

In determining the distance for a French-language public (or separate) school, only those French-language public (or separate) schools located within the jurisdictional boundary of a coterminous English-language public (or separate) board are to be considered, and this determination is to be done separately for each of the English-language public (or separate) board jurisdictions with which the French-language public (or separate) board is coterminous.

School Enrolment means the full-time equivalent day school enrolment at October 31, 2001, excluding pupils 21 and over.

Pupils Per Grade For the purposes of calculating the number of secondary school grades:*

If junior high with Grades 7–9	1 grade
If secondary school with Grades 9–OAC	5 grades
If secondary school with no OAC	4 grades

Pre-Grade 9 is not counted as a grade.

Only grades with actual pupil enrolment are to be counted for the purpose of determining pupils per grade.

Principals Component of the Small Schools Allocation

This allocation provides enhanced funding for principals to boards that have a high proportion of small schools. Boards that receive this funding have the flexibility to use the funding to provide more principals or to increase the time that part-time principals can spend on their principal duties.

Funding under this allocation is available for principals where the average ratio of principals to schools at the elementary and secondary level is below a minimum threshold.

The definition of "school" used in this component is a school that has been identified as an elementary or secondary school in the ministry's School Facilities Inventory database where pupils are enrolled in a day program in 2001–02.

* Data Source: 2001 September School Reports

*Principal allocation at the elementary level**

$$\left(0.69 - \frac{\text{Elem. ADE} \times \$244}{\$79{,}296 \times 1.12 \times \#\ \text{of elem. schools}}\right) \times \$79{,}296 \times 1.12 \times \#\ \text{of elem. schools}$$

*Principal allocation at the secondary level***

$$\left(0.40 - \frac{\text{Sec. ADE} \times \$107}{\$86{,}479 \times 1.12 \times \#\ \text{of Sec. schools}}\right) \times \$86{,}479 \times 1.12 \times \#\ \text{of Sec. schools}$$

Remote and Rural Allocation

The Remote and Rural allocation has been refined for 2001–02. The allocation has been changed to include new eligibility criteria that better reflect the geographic characteristics that increase school board costs. To support the new criteria, $32M has been added to this allocation.

This funding reflects the higher cost of purchasing goods and services for small school boards, as well as for boards that are distant from major urban centres, and boards with schools that are distant from one another.

Three factors are used in determining funding:

1. board enrolment,
2. distance from an urban centre, and
3. school dispersion.

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* $244 and $107 represent the per pupil funding for principals in the Foundation Grant at the elementary and secondary levels respectively.
$79,296 and $86,479 are the salary benchmarks for principals in the Foundation Grant at the elementary and secondary levels respectively.
1.12 is the recognized employee benefit level (12%) for principals included in the Foundation Grant per pupil.

** Ibid.

1) Board Enrolment

This component supports the higher per pupil costs for goods and services faced by smaller school boards.

Enrolment	Per Pupil Allocation
0 – 4000	$287 - (Day School ADE x .0156)
4000 – 8000	$224.5 - ([Day School ADE - 4000] x .0177)
8000 – 16000	$153 - ([Day School ADE - 8000] x .0194)

2) Distance/Urban Factor/French-Language Equivalence

This component takes into account the additional costs of goods and services relating to remoteness and the presence or absence of urban centres. This component also recognizes that, much like remote school boards, French-language school boards in southern Ontario operating in a minority language context face higher costs in obtaining goods and services.

Distance (referred to as "*D*" in the formula below) is measured from the nearest defined cities of Toronto, Ottawa, Hamilton, London, or Windsor to the town or city located nearest to the geographic centre of the board.

Distance/urban allocation = (per pupil allocation based on distance ("D") x urban factor)

Distance	Per Pupil Allocation
0 – 150 km	$0
150 km – 650 km	$0.974 x (D-150)
650 km – 1150 km	$490 + $0.135 x (D-650)
1150 km +	$555

City or town within a board's jurisdiction with a population of	Urban factor
0 – 25,000	1
25,000 – 200,000	$1 - \left(\frac{population - 25,000}{175,000} \right)$
200,000 +	0

Distance Equivalence

French-language school boards receive the higher of their distance/urban allocation or a distance allocation of $160 per pupil.

3) School Dispersion

This component recognizes the higher costs of providing goods and services to students in widely dispersed schools. School dispersion (in kilometres) is calculated using Geographic Information System (GIS) technology.

The school dispersion measure consists of:

- the average distance between a board's schools, calculated on the basis of the shortest unique road route linking all the schools in a board, and
- the average road distance between the central board office and each school of the board, based on the shortest unique road route linking the board office with each school.

The average dispersion is expressed as weighted average of two distances (school-to-school average weighted at 0.8 and board-office-to-school average weighted at 0.2).

Average Dispersion	Per Pupil Allocation
0 – 14 km	$0
14 km +	$4.25 x (Average Dispersion -14)

Each board's allocation for this component is set out in Column 4 of Table 4 of the 2001–02 student-focused funding grant regulation.

Learning Opportunities Grant

The Learning Opportunities Grant for 2001–02 consists of three components:

- Demographic component,
- Early Literacy component
- Literacy and Math for Grades 7 to 10 component.

Total funding of $280M is projected for the Learning Opportunities Grant.

Demographic Component

This component of the Learning Opportunities Grant provides funding to school boards based on social and economic indicators that have been associated with a higher risk of academic difficulties for students. This grant permits boards to offer a wide range of programs to improve the educational achievement of these students. Boards have considerable latitude in determining the kinds of programs and supports they provide with this funding.

The Demographic component is determined by the following socio-economic indicators:

Indicator	Description	Provincial Rate
Low Income Cut-Off (LICO)	The percent of all persons who are living below the low income cut-off (LICO) point. LICOs are determined by Statistics Canada and vary from community to community.	13.1%
Low Education	The percent of all persons 15 years or over who have less than a Grade 9 level education.	11.5%
Recent Immigrants	The percent of all persons who immigrated to Canada between 1988 and 1991.	3.25%
Aboriginal Status	The percent of all persons indicating "Aboriginal" as their sole ethnic origin.	0.7%

The funding is based on:

- the eligible enumeration areas within the board,
- funding units within eligible enumeration areas, and
- allocation of funding units among each board within the eligible areas.

Eligible Area

The area used for the purpose of the calculation is an enumeration area. An area is eligible where the percentage of the area population in any one of the four socio-economic indicators is at least twice the provincial rate. Once an enumeration area is eligible on any one of the four indicators, its funding is calculated based on the LICO rate for that enumeration area.

Funding Units

$$\text{Funding units} = \text{Child population (less than 18 years of age)} \times \left(\frac{\text{\% area population [LICO]}}{\text{provincial LICO rate}} \right)$$

In some instances, LICO information may not be available for an eligible enumeration area due to the suppression of low response rates by Statistics Canada. Where no LICO information is available for the eligible enumeration area, the Low Education variable is used in place of LICO for the calculation of funding units.

Example:

Data for enumeration area A:

Child population (under 18 years old)	1300
% of population below the LICO point	11.1%
% of population with aboriginal status	0.1%
% of population 15 years and older with lower than Grade 9 education	24.0%
% of population who are recent immigrants	5.0%

In this example, the enumeration area qualifies since it is more than twice the provincial rate on the low education variable.

Funding units for eligible area A:

$$1{,}300 \times \left(\frac{11.1 \text{ [LICO rate of area A]}}{13.1 \text{ [provincial LICO rate]}} \right)$$

All funding units in eligible enumeration areas are summed according to census subdivisions (CSD). Funding units in a CSD are apportioned to each board by using municipal enumeration data showing school-aged population of public and separate and English and French electors.

The funding units that a board has accumulated are then translated into funding as follows:

$$\left(\frac{\textit{Total number of funding units for a board}}{\textit{Total number of funding units for all boards}}\right) \times \textit{Total allocation}$$

Each board's allocation for this component is set out in Table 5 of the 2001–02 student-focused funding grant regulation.

Early Literacy Component

In 2000-01, the government began providing additional, ongoing funding to support improving early literacy for students from JK to Grade 3.

Funding of $65M in 2001–02 is being allocated on the basis of each board's share of enrolment from JK to Grade 3 (ADE). The Learning Opportunities Grant is $115 for each of these early learners.

Boards are required to focus these new resources on primary students with the greatest need: students in Grades 1 to 3 whose achievement levels are 1 ("D" on a report card) or lower ("R" on a report card); and students in JK and K whose reading readiness assessments show they need remedial help.

For the 2001–02 school year, boards are required to provide a detailed report on how the funding for early literacy is being used.

Literacy and Math for Grades 7 to 10 Component

In 2000–01, funding was added to the Learning Opportunities Grant to allow boards to provide additional supports to enhance the literacy and math skills of students at risk of not meeting the new curriculum standards and the requirements of the Grade 10 literacy test.

These courses or programs can be provided during the summer, and during the regular school year outside the regular school day for:

- A class or course in literacy and math for pupils in Grade 7 or 8 for whom a remedial program in literacy and math has been recommended by the principal of the day school.
- A noncredit class in literacy and math for pupils in Grade 9 or 10 for whom a remedial program in literacy and math has been recommended by the principal of the day school.

- A class or course in literacy and math established for adults who are parents or guardians of pupils in all grades for whom the principal of the day school has recommended a remedial course in literacy and math.

For 2001–02, the per pupil funding has been increased from $2,294 to $4,843 per ADE, so that a class of ten students will meet the average cost of a continuing education teacher. This increase affects summer school programs, as well as programs outside the school day, beginning in the summer of 2001.

Transportation for pupils enrolled in summer school literacy and math programs is provided as follows:

$$\frac{\textit{2001–02 transportation allocation for the board}}{\textit{2001–02 ADE of pupils of the board}} \times \textit{ADE of Grades 7 to 10 literacy and math summer school programs} \times 3$$

School Operations and School Renewal allocations are provided for students in Grades 7 to 10 literacy and math summer school programs under the Pupil Accommodation Grant.

Summer 2001

Funding for these expanded literacy and math programs will also be available in the summer of 2001, for at-risk students in Grades 7 to 10 and for parents of at-risk students. Transportation for students to summer programs in 2001 will continue to be provided at the increased level of funding introduced in 2000–01.

Continuing Education and Other Programs Grant

Total funding of $138M is projected for the Continuing Education and Other Programs Grant.

This funding supports the provision of adult day school programs and continuing education programs such as adult English or French as a second language, adult Native language, adult credit for diploma and correspondence/self-study.

Funding is provided for crossover or transfer courses to allow students to move between the applied and academic streams in secondary school, and to allow partial credits as permitted by secondary school reform. The grant provides funding for a class or course for secondary school pupils who wish to transfer between course types in accordance with Section 5.6 of the ministry publication *Ontario Secondary School Grades 9 –12: Program and Diploma Requirements, 1999.*

This funding supports the provision of credit courses for secondary school students in the summer or outside the school day (for example, in the evenings).

Funding is also provided for international language programs for elementary pupils.

Funding for continuing education and summer school programs remains at $2,294 per ADE (excluding pupils in respect of whom fees are chargeable under the tuition fees regulation).

Funding for day school pupils aged 21 and over remains at to $2,294 per ADE. School Operations and School Renewal allocations (under the Pupil Accommodation Grant) are provided for these students, as well as for students enrolled in summer school programs and in continuing education credit courses offered during the day.

The allocation for international languages that was provided to school boards offering approved classes for international language instruction in a language other than English or French has been maintained at $41 per classroom hour where the board's average class size for the program is 25 or more. The funding is based on a dollar amount per hour of classroom instruction. Where the average class size for a board is less than 25, the $41 grant per classroom hour is reduced by $1 for every pupil less than 25.

Teacher Compensation Grant

The Teacher Compensation Grant provides resources to help meet teacher compensation costs by recognizing the varying salary costs created by the normal range in teachers' qualifications and experience.

Teacher Qualifications and Experience (Q and E) Component

The Q and E component provides funding to boards that have teachers who, because of their qualifications and experience, have salaries above the level used to determine the Foundation Grant.

The elementary per pupil allocation is calculated as follows:

$$\left(\text{Sum of} \left[\frac{\text{Elementary teachers on board's regular grid} \times \text{Instructional Salary matrix}}{\text{Number of elementary teachers on board's regular grid distribution}} \right] - 1 \right) \times \$2{,}648$$

The secondary per pupil allocation is calculated as follows:

$$\left(\text{Sum of} \left[\frac{\text{Secondary teachers on board's regular grid} \times \text{Instructional Salary matrix}}{\text{Number of secondary teachers on board's regular grid distribution}} \right] - 1 \right) \times \$3{,}222$$

Instructional Salary Matrix

Qualifications & Experience*	D	C	B	A1	A2	A3	A4
0	0.5788	0.5788	0.5788	0.6229	0.6487	0.7081	0.7449
1	0.6127	0.6127	0.6127	0.6540	0.6864	0.7502	0.7926
2	0.6332	0.6332	0.6332	0.6989	0.7318	0.7969	0.8432
3	0.6523	0.6523	0.6523	0.7416	0.7743	0.8442	0.8925
4	0.7149	0.7149	0.7149	0.7814	0.8158	0.8953	0.9443
5	0.7698	0.7698	0.7698	0.8234	0.8606	0.9435	0.9975
6	0.8225	0.8225	0.8225	0.8655	0.9042	0.9866	1.0473
7	0.8694	0.8694	0.8694	0.9073	0.9472	1.0363	1.0997
8	0.8900	0.8900	0.8900	0.9485	0.9876	1.0860	1.1512
9	0.9154	0.9154	0.9154	1.0025	1.0411	1.1534	1.2026
10	0.9667	0.9667	0.9667	1.0451	1.0989	1.2136	1.2949

The salary matrix reflects a benchmark of $50,975 for teacher salary and excludes teacher consultants and the administrative component of principals and vice-principals. They are therefore to be excluded from the board's regular grid distribution for the purpose of calculating the Q and E component of the funding. Teachers providing instruction in ISA 4 programs are also excluded from the board's grid distribution. This is because the instructional cost of the program is being funded under special education, and the pupils on these programs are not counted as pupils of the board.

The teacher distribution as of October 31, 2001, is to be used for the calculation of the 2001–02 Teacher Compensation Grant. Where the qualification of a teacher is changed after October 31, 2001, and the change for salary purposes is retroactive to October 2001, or earlier, the changed qualification category is used for the purpose of this calculation.

Beginning in 2001–02, student-focused funding will recognize teachers' actual experience and ensure consistent claims for the Teacher Compensation Grant, by recognizing part years of teaching, rather than truncating part years. Boards are to place teachers on the experience grid by rounding part year experience to the nearest whole number of years of experience.

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* Data Source: Data Form A, January 31, 1998 and Form A, January 31, 1998. Information as previously provided to the Education Relations Commission.

Special Assistance for Average Per Pupil Credit Load

This component of the Teacher Compensation Grant provides funding at the secondary level where the average credit load of secondary school pupils exceeds 7.2 credits per pupil. Assistance is provided to recognize an average credit load of up to a maximum of 7.5 credits per pupil.

The component is calculated as follows:

(Average number of secondary school credits per pupil for the board in the 2000–01 school year [up to a maximum of 7.5] – 7.2)/ 7.2	x	*$3,011 for classroom teachers and preparation time*	x	*2001–02 secondary day school ADE (excluding pupils aged 21 and over)*

For the purpose of calculating the average number of secondary school credits per pupil, a special education secondary school pupil enrolled on a full-time basis in programs for which credits are not granted will be granted an equivalent of 8 credits.

Early Learning Grant

This grant provides all school boards with an equitable level of funding to support early learners – pupils up to Grade 3.

Total funding of $13M is projected for the Early Learning Grant.

Pupils enrolled in Junior Kindergarten (JK) are funded on the same basis as other pupils, through the Foundation Grant, special purpose grants, and Pupil Accommodation Grant. JK pupils are funded as 0.5 FTE.

Boards that do not offer JK receive an Early Learning Grant of $652 per pupil based on their Senior Kindergarten (SK) to Grade 3 enrolment. The Early Learning Grant has been set at a level that is equivalent on average to the funding a board would receive if it were to offer JK.

Boards that offer JK will not normally be eligible for the Early Learning Grant. However, in some instances, boards that provide JK in part of their jurisdiction may claim the Early Learning Grant for the remaining part of their jurisdiction. To recognize and support a board's option to use the funding available to support early learning in a manner that best meets local needs, the following formula is provided:

The Early Learning Grant

$652 x Board's ADE (SK to Grade 3)	–	*JK ADE x Board's 2001–02 allocation per elementary pupil*

The board's 2001–02 allocation per elementary pupil includes funding from:

- Foundation Grant;
- special purpose grants, excluding the Early Learning Grant and Continuing Education and Other Programs Grant, the Literacy and Math for Grades 7 to 10 component of the Learning Opportunities Grant, and the French as a Second Language allocation for core and extended programs; and
- Pupil Accommodation Grant, excluding the allocations for debt charges, school renewal, and new pupil places.

For the purpose of the calculation of this allocation, JK and SK pupils enrolled in combined programs are deemed to be half-time pupils.

Transportation Grant

The Transportation Grant provides school boards with funding to recognize the costs of transporting pupils from home to school or from school to school, including transporting students with special needs.

Total funding of $581M is projected for the Transportation Grant.

The ministry, with the assistance of the Transportation Review Committee, is developing a new funding approach that, if approved, will use technology as a key component in the calculation of student transportation grants. The ministry is also encouraging school boards to make their transportation services more efficient by working in consortia with other boards.

The ministry is taking a phased approach to implementation. As a first step, in March 2000, the ministry announced that during the 2000–01 school year it would provide a total of $7M in interest-free loans to help boards invest in student transportation software. The repayment date has been extended to the 2002–03 school year.

As a second step, eleven boards in five areas of the province have been pilot testing the new transportation funding approach over the course of the current school year. The results of these pilots will be evaluated and the new approach adjusted accordingly.

In 2001–02, transportation funding to school boards includes the following three components:

Transportation Allocation (Excluding Provincial Schools)

$$\boxed{\textit{2000–01 allocation for transportation less expenditure in 2000–01 for transportation to provincial schools}} \times \boxed{\frac{\textit{2001–02 day school ADE of the board}}{\textit{2000–01 day school ADE of the board}}}$$

Note: Day school ADE includes enrolment of JK to OAC pupils of the board, excluding pupils 21 and over.

Transportation funding is also provided for literacy and math remediation programs provided in the summer, under the Learning Opportunities Grant.

Funding for Transportation to Provincial Schools

Funding is allocated based on the expenditure by the board in 2001–02 that is approved by the Minister for the transportation of pupils to and from provincial schools.

Extension for $7 Million Loan Recovery in 2001–02

To achieve greater efficiencies in day-to-day operation, transportation consortia or departments will need to implement technology for route optimization. For 2000–01, $7M in transitional funding was made available to help boards that need to implement this technology. The funding, which was in the form of an interest-free loan, was to be recovered in 2001–02. However, the ministry recognized that it would be difficult for boards to realize the benefits of implementing student transportation management technology within a 12-month period. The repayment date for the $7M interest-free loan has, therefore, been extended for a year. Loans will now be recovered in full in the 2002–03 school year.

School Board Administration and Governance Grant

This grant provides funding for administration and governance costs, including the costs of operating board offices and central facilities. This category of funding provides for all board-based staff and expenditures, including supervisory officers and their secretarial support. Funding is provided for four components:

- Trustees,
- Directors and Supervisory Officers,
- Board Administration, and
- Multiple Municipalities.

Total funding of $453M is projected for the School Board Administration and Governance Grant.

Trustees

This funding component, which is based on the number of trustees, supports trustee honoraria, expenses, meeting costs, and professional development (for example, conferences). Dues to stakeholder organizations and secretarial costs for trustees are also funded from board administration where necessary. The following amounts are provided:

$5,000	*x number of trustees (including chair) for trustee honoraria*
$5,000	*x number of trustees (including chair) for travel and expense allowance, professional development, and other costs*
$10,000	*per board as additional honoraria for the chair and vice-chair*
$5,000	*per board for student representation for travel and expenses but not honoraria*

Directors and Supervisory Officers

Funding is based on one director per board, and the number of supervisory officers based on board enrolment. This component is intended to cover salaries and benefits of these staff. This component also recognizes the higher administrative costs borne by some boards, by using their Remote and Rural allocation of the Geographic Circumstances Grant, the Demographic component of the Learning Opportunities Grant, and the New Pupil Places allocation, to help determine funding levels.

Directors and Supervisory Officers Component

	2001–02
Base amount	$418,000
Per pupil amount for first 10,000 pupils	$11
Per pupil amount for next 10,000 pupils	$16
Per pupil amount for remaining pupils	$21
% Geographic Circumstances Grant (Remote and Rural allocation)	2%
% Learning Opportunities Grant (Demographic component)	0.5%
% New Pupil Places Grant	1%

Board Administration Costs

This component provides funding for the business and other administrative functions of a board and the costs of operating and maintaining board offices and facilities. As with the Director and Supervisory Officers component, the Board Administration component recognizes the higher costs of administration in some boards. This component also covers expenses and support staff for the director and supervisory officers as well as support staff (where necessary) for trustees.

Funding consists of:

Board Administration Component

	2001–02
Base amount	$80,940
Per pupil amount	$176
% Geographic Circumstances Grant (Remote and Rural allocation)	11%
% Learning Opportunities Grant (Demographic component)	0.5%
% New Pupil Places allocation	1%

Enrolment used for determining the grants are day school ADE of pupils of the board (JK to OAC, excluding pupils 21 and over).

Multiple Municipalities Component

For 2001-02, a new component has been added to the allocation for board administration to recognize the additional costs of boards that are required to interact with a large number of municipalities and other local governing agencies. Boards incur administrative costs from dealing with municipalities concerning property taxes. They also are required to reach protocols and agreements with local agencies such as police services and children's aid societies.

Additional funding is provided to boards with more than 30 municipalities in their jurisdiction.

The multiple municipalities amount is calculated as follows:

ALLOCATION PER MUNICIPALITY:

For each municipality	
Between 1 and 30	$0
Between 30 and 49	$500
Between 50 and 99	$750
From 100 to any number higher	$1000

For example, a board with 60 municipalities in its jurisdiction would receive:

for municipalities 30 to 49:	(20 times $500):	$10,000
for municipalities 50 to 60:	(11 times $750):	$8,250
Total multiple municipalities amount:		$18,250

Pupil Accommodation Grant

The Pupil Accommodation Grant has three major allocations:

- School Operations
- School Renewal
- New Pupil Places

Total funding of $2.25B is projected for the Pupil Accommodation Grant.

The School Operations allocation addresses the costs of operating (that is, heating, lighting, maintaining, and cleaning) schools; the School Renewal allocation addresses the costs of repairing and renovating schools; and the New Pupil Places allocation enables boards to construct new schools or additions, where boards have demonstrated that they have fully utilized all existing school buildings effectively and that their enrolment cannot be accommodated without new space. These allocations are calculated as follows:

School Operations Allocation = *Enrolment* x *Benchmark Area Requirement Per Pupil* x *Supplementary School Area Factor* x *Benchmark Operating Cost Per Sq. Ft.*

Plus
*Top-Up Funding for School Operations**

School Renewal Allocation = *Enrolment* x *Benchmark Area Requirement Per Pupil* x *Supplementary School Area Factor* x *Benchmark Renewal Cost Per Sq. Ft.*

Plus
*Top-Up Funding for School Renewal**

* Top-up funding is available for schools that are offering a regular day school program (exclusive of adult day school) and that are operating at less than full capacity.

New Pupil Places Allocation	=	*Enrolment in Excess of Capacity*	x	*Benchmark Area Requirement Per Pupil*	x	*Benchmark Construction Cost Per Sq. Ft.*	x *Geographic Adjustment Factor*
		Enrolment Pressure	x	*Benchmark Area Requirement Per Pupil*	x	*Benchmark Construction Cost Per Sq. Ft.*	
		Capital Transitional Pressure	x	*Benchmark Area Requirement Per Pupil*	x	*Benchmark Construction Cost Per Sq. Ft.*	

The sums of the three components X Geographic Adjustment factor

Allocation for New Pupil Places – Changes in 2001–02

New Pupil Places – Persistent Enrolment Pressures

A change has been built into the student-focused funding regulation for 2001–02 to provide resources to boards that are not currently eligible for New Pupil Places funding to address significant and persistent enrolment pressures at specific schools.

A board whose total elementary enrolment is less than the total elementary school capacity will be eligible for funding in recognition of enrolment pressures if data reported in Appendix C of the Financial Statements (Top-Up Funding) indicates that:

- enrolment at any one of its elementary schools has exceeded the capacity of the permanent facilities at the school by at least 100 pupils in each of the past two years (that is, 1999–2000 and 2000–01); and
- there is not sufficient surplus capacity at nearby elementary schools (that is, within 8 kilometres by road) to accommodate the excess enrolment at the school.

For schools meeting both criteria, a number of pupil places equal to the average of the difference between enrolment and capacity at the school in 1999–2000 and 2000–01 will be recognized for funding beginning in 2001–02. These pupil places will be funded in the same manner as other allocation for new pupil places for elementary schools. These pupil places will also be added to the permanent capacity of the school in the current year. This level of funding will be provided to boards for a period of 25 years.

Similarly, a board whose total secondary enrolment is less than the total secondary school capacity will be eligible for funding in recognition of enrolment pressures if data reported in Appendix C of the Financial Statements (Top-Up Funding) indicates that:

- enrolment at any one of its secondary schools has exceeded the capacity of the permanent facilities at the school by at least 100 pupils in each of the past two years (that is, 1999–2000 and 2000–01); and
- there is not sufficient surplus capacity at nearby secondary schools (that is, within 32 kilometres by road) to accommodate the excess enrolment at the school.

For schools meeting both criteria, a number of pupil places equal to the average of the difference between enrolment and capacity at the school in 1999–2000 and 2000–01 will be recognized for funding beginning in 2001–02. These pupil places will be funded in the same manner as for other allocations for new pupil places for secondary schools. These pupil places will also be added to the permanent capacity of the school in the current year. This level of funding will be provided to boards for a period of 25 years.

New Pupil Places – Capital Transition Pressures

A change has been built into student-focused funding in 2001-02 to provide new resources for new pupil places for boards that have no schools in specific parts of their jurisdictions.

Some boards have pupils in parts of their jurisdictions but no nearby schools. This results in parents having to choose between busing their children many kilometres to a distant school or sending their children to a nearby school of a different board.

Funding for new pupil places has been increased for boards in these circumstances. The number of new pupil places added is set out in a table in the 2001-02 student-focused funding regulation. These pupil places will be funded in the same manner as other allocations for new pupil places. This funding will be provided to the boards over a period of 25 years.

New Pupil Places – Use of Pupil Accommodation Reserve Fund for School Sites

To date, funds in the Pupil Accommodation Reserve could not be used to acquire sites for new schools. The policy has been modified slightly. Boards receiving funding to address persistent enrolment pressures at specific schools and boards receiving funding to address capital transitional pressures may use some of the funds in the Pupil Accommodation Reserve to purchase sites. In addition, a board that requires a school site needed to address accommodation pressures may use some of its Pupil Accommodation Reserves to fund the portion or the entire cost of acquiring the site if this cost is not a growth-related net education land cost, within the meaning of Division E of Part IX of the *Education Act* regarding education development charges (EDCs).

Sites needed for pupil accommodation arising from new residential development may be acquired with the proceeds from the sale of surplus properties; savings from boards' operating budgets; as part of long-term lease or partnership arrangements with municipalities or the private sector; or by imposing EDCs in accordance with Division E of Part IX of the *Education Act* and Ontario Regulation 20/98.

The factors used to determine the Pupil Accommodation Grant are outlined below:

Enrolment

Elementary Enrolment	"Day School Average Daily Enrolment" of pupils enrolled in Junior Kindergarten, Kindergarten, and Grades 1 to 8.
Secondary Enrolment	"Day School Average Daily Enrolment" of pupils enrolled in Grades 9 through OAC, excluding students 21 years of age and older.
Adult Enrolment*	"Day School Average Daily Enrolment" of students 21 years of age or older plus the "Average Daily Enrolment" of students enrolled in Continuing Education credit courses during the day (excluding pupils enrolled in correspondence self-study programs, and including students in summer school programs).

Benchmarks

Area Requirements Per Pupil – Elementary: 100 square feet

Provides sufficient teaching and ancillary space to permit the effective delivery of elementary school programming consistent with the average class size limits under the *Education Act* and provides additional space required to accommodate the typical distribution of special education, learning opportunities, and language (for example, ESL) programming.

Area Requirements Per Pupil – Secondary: 130 square feet

Provides sufficient teaching and ancillary space to permit the effective delivery of secondary school programming consistent with the average class size limits under the *Education Act* and provides additional space required to accommodate the typical distribution of special education, learning opportunities, and language (for example, ESL) programming.

Area Requirements Per Pupil – Adult: 100 square feet

Lower than the traditional secondary school panel because less additional space is required for special needs programs.

Operating Cost:

The funding benchmark for the School Operations allocation is $5.20 per square foot.

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* For School Operations and School Renewal allocations only.

Renewal Cost: weighted average of $0.64 and $0.96 per square foot for schools under and over 20 years of age respectively.

Construction Cost – Elementary: $11.00 per square foot

Represents an estimated cost of $117 per square foot including fees and taxes to construct, furnish, and equip new elementary schools, amortized over 25 years.

Construction Cost – Secondary: $12.00 per square foot

Represents an estimated cost of $126 per square foot including fees and taxes to construct, furnish, and equip new secondary schools, amortized over 25 years.

Geographic Adjustment Factor

A Geographic Adjustment Factor is applied to the New Pupil Places allocation in recognition of differences in construction costs across the province. The Geographic Adjustment Factor is based on the distance component of the Remote and Rural allocation.

No explicit geographic adjustment is being applied to the School Renewal and School Operations allocations. Student-focused funding includes several special purpose grants that address unique circumstances faced by individual boards. In determining the Small Schools allocation, the Remote and Rural allocation, and the Early Learning Grant, allowance has been made for custodial and maintenance costs.

Supplementary Area Factor

An adjustment factor is applied in the calculation of the School Operations allocation and the School Renewal allocation. The Supplementary Area factor recognizes unique design features of a board's schools, such as wide hallways, large shop spaces, auditorium space, and the additional space needs of special education programs.

The factor is based on information compiled in the School Facilities Inventory System. Separate factors that reflect the area per pupil place are calculated for elementary and secondary schools.

Top-Up Funding to Reflect a 20-Percent Adjustment to Capacity Levels

Additional funding is also provided for school operations and renewal for schools that are operating at less than full capacity. Top-up funding is calculated on a school-by-school basis for schools offering a regular day school program (exclusive of adult day school). This additional funding, which is not to exceed the revenue generated by enrolment equal to 20 percent of school capacity, increases total revenue for school operations and renewal for a school up to the amount that would be generated if the school were operating at full capacity.

Outstanding Capital Commitments

In January 1997, the Minister of Education and Training announced a $650M capital program for the years 1997–98 and 1998–99. In 1999–20, the outstanding capital commitments from this program were converted to pupil places so that the amount owed to boards could be paid in the same manner as the New Pupil Places allocation. The Pupil Accommodation Grant provides boards with funding to meet the cost of financing the outstanding grant amount over a 25-year period.

Debt Charges

In 1998, the ministry committed to provide funding in 1998–99, 1999–2000, and 2000–01 to cover the servicing costs of loans related to capital projects approved prior to May 15, 1998. This funding will continue.

A considerable portion of the approved capital-related debt has not yet been permanently financed. Ministry staff and staff from the Ontario Financing Authority have begun to work with school boards to arrange for permanent financing for this debt on a pooled basis. Provisions have been incorporated into the grant regulations to provide funding to cover annual principal and interest payments associated with this financing and with the approved capital-related debt that has already been permanently financed, until these debts have been fully retired.

Inter-Board Transfer of Schools

The student-focused funding regulation for 2001–02 includes provisions relating to schools transferred between boards, to make more effective use of existing school facilities. Provided that the prior approval of the Minister has been obtained, the capacity

figure for a transferred school would be the lesser of ADE and the rated capacity of the facility. Transfers must meet the following criteria:

- the transfer is consistent with the boards' long-term accommodation plan,
- the transfer benefits students from both boards (for example, through improved facilities, reduced transportation needs, etc.)
- the transfer results in more effective use of existing public assets, and
- the transfer reduces the need for the boards to construct new school facilities in their jurisdictions.

This "floating" capacity, which will apply only for purposes of calculating the allocation for new pupil places, will remain in effect until such time as enrolment levels in the school reach the rated capacity level for the facility. After that time, the rated capacity for the facility will be used in the determination of the board's grants.

$20 Million Cap

To ensure an orderly transition to student-focused funding as boards began to address the significant backlog of accommodation issues across the province, annual allocations for new pupil places for an individual board were limited to $20M for an interim period. The student-focused funding regulation includes provisions for the removal of this cap. The cap will be removed after a board has demonstrated that it has begun construction on projects costing at least $200M since the introduction of student-focused funding using the New School Facilities Report component of the accountability framework for the Pupil Accommodation Grant. If the $200M target has been achieved prior to the start of a school year, the cap will be removed in that school year (for example, if the target is met prior to September 1, 2001, the cap will be removed for the 2001–02 school year). The amount that was withheld from boards affected by the $20M cap will be paid over a 25-year period beginning in the school year in which the cap is removed.

School Authorities Funding

The costs per pupil are generally higher for very small school boards, usually located in remote areas of Ontario (called isolate school authorities) or in some children's hospitals. The School Authorities allocation ensures that funding is available for these small boards. This allocation is authorized through student-focused funding regulations, but is outside the formal grant structure.

The funding for school authorities is based on the funding guideline that has been modified to address the unique costs of operating very small schools in remote areas and in institutions. The allocation formula is based on student-focused funding, to the extent possible, with provisions for special approval by the Ministry of Education.

Phase-In of Student-Focused Funding

Student-focused funding was introduced in 1998–99, and was phased in so that in 1998–99, no board's revenue increased or decreased by more than 4 percent, calculated either on the basis of total operating expenditures or total per pupil operating expenditures.

In 1999–2000, student-focused funding included a stable funding guarantee to ensure that no board received less in operating revenue in 1999–2000 than it received through student-focused funding in 1998–99.

In March 2000, the province completed the phase-in of student-focused funding for the few boards that would have continued to qualify for phase-in funding in 2000–01 and future years. The conclusion of phase-in was in the form of a one-time payment to the boards affected.

Since 2000-01, all boards are funded on the basis of the same student-focused funding grant formulas.

Enrolment

Under the school year reporting that covers the period from September to August, the calculation of average daily enrolment (ADE) is based on the existing two count dates within the school year: October 31 and March 31. The full-time equivalent of students enrolled in a board's schools are weighted at 0.5 for each of the count dates.

Junior Kindergarten (JK) and Senior Kindergarten (SK) pupils are counted as half time students in the determination of ADE for 2001–02, with the exception of combined Kindergarten programs. The ADE regulation allows combined JK and SK programs, where JK students can be counted as enrolled for 600 minutes per week and SK students as enrolled for 900 minutes per week (with the exception of calculations for the Early Learning Grant).

ADE for continuing education programs and summer school is calculated using the same parameters as in 2000–01. The regulation has been clarified to indicate that students who have been enrolled in private schools in the previous school year are eligible to be enrolled in summer school programs of a publicly-funded board as permitted by the regulation. This clarification has been made for summer programs in 2001 (part of the 2000-01 school year), and in 2001-02 and future years.

Fees

Boards are required to continue charging tuition fees in respect of nonresident visa students, Native students, and students from out of province.

Boards are able to determine the fees that they will charge in respect of visa students for regular day school programs, continuing education, and summer school programs.

The provisions for fees in respect of pupils whose parents or guardians reside on tax exempt land has been maintained at $40 per month per family.

Reporting and Accountability

With the release of the grant regulation in spring 2001, the ministry has established the following reporting dates for the upcoming year:

June 30	Board Estimates for 2001–02 to be submitted to the Province
November 30	Board Financial Statements for 2001–02 to be submitted by boards to the Province
November 30	Board Revised Estimates for 2001–02 to be submitted to the Province

Enveloping and Flexibility

Student-focused funding is not intended to specify every expenditure that boards make. It is up to boards, as it has always been, to determine their detailed budget commitments within the terms of the *Education Act* and other relevant regulations and memoranda.

School boards continue to be responsible for setting their budgets. Student-focused funding recognizes that school boards need the flexibility to decide how best to allocate resources within those budgets. At the same time, there are some restrictions on how school boards can use some components of their allocation. Limitations, as detailed below, are set on: the transfer between classroom and nonclassroom funding; special education; new pupil places and school renewal; and school board administration and governance.

In 2001–02 school boards will have increased flexibility to use revenue from student-focused funding to address local priorities. Changes have been introduced to the enveloping requirements to allow boards to use an amount of funding equivalent to the total increase in student-focused funding in 2001–02 without spending limitations. These changes are described in detail below.

School boards will continue to be accountable for how they use all the revenue they receive from student-focused funding, including the amount of revenue that they can use flexibly. They will continue to report, as in past years, how they have used all their funding, and the extent to which this funding has been used for special education, classroom expenditures, new pupil places and school renewal, and administration and governance.

More Flexibility in 2001–02

The method of determining a board's total classroom expenditure allocation will be maintained in 2001–02, but adjusted to allow each board to have greater flexibility with enhanced funding.

In 2001–02, student-focused funding will identify an amount for each board, called a flexibility fund, that boards can use without restrictions. This flexibility fund will allow each board to choose which priorities it will address with this funding.

Every board's flexibility fund will include:

- the total amount of the Local Priorities amount (the new $100 per pupil that is a new component of the Foundation Grant).
- the entire amount of a board's increase in its Remote and Rural allocation (between 2000–01 and 2001–02), and

- the entire amount of any other increase in a board's operating funding between 2000–01 and 2001–02.

The formula determining each board's flexibility fund will be:

A + B + C

Where:

A = the board's Local Priorities amount for 2001–02;

B = the amount, if any, by which a board's Remote and Rural allocation in 2001–02 exceeds its Remote and Rural allocation in 2000–01; and

C = the amount, if any, by which the board's total operating funding (excluding its Local Priorities amount and Remote and Rural allocation) in 2001–02 exceeds its total operating funding (excluding the Remote and Rural allocation) in 2000–01.

"Operating funding" normally includes the Foundation Grant, special purpose grants, and the School Operations allocation of the Pupil Accommodation Grant. For the purpose of step C in determining the flexibility fund, "total operating funding" excludes the Remote and Rural allocation in both 2000–01 and 2001–02 (because step B accounts for any increase in the Remote and Rural allocation) and the Local Priorities amount of the Foundation Grant in 2001–02 (because step A addresses this amount).

This formula will ensure that all boards receive amounts in their flexibility funds that reflect enhancements to student-focused funding in 2001–02, even if their total operating funding is declining due to decreased enrolment. It will also ensure that enhanced funding for boards with growing enrolment will also be included in the flexibility fund.

Boards will decide how much of the fund, if any, they allocate to classroom expenditure categories.

Funds may not be moved from the classroom to nonclassroom category.

School boards are expected to place a priority on students and teachers in the classroom, and to find efficiencies in nonclassroom areas. To support this objective, funds may be moved from nonclassroom expenditure categories into classroom expenditure categories but may not be moved from classroom spending to nonclassroom.

To ensure compliance with this rule, the ministry requires school boards to use a uniform code of accounts for their expenditures which categorizes expenditures as classroom and nonclassroom expenditures. Expenditure categories for operating funding are divided as shown in this table:

Classroom expenditures	Nonclassroom expenditures
Classroom teachers	Preparation time
Supply teachers	Principals and vice-principals
Teacher assistants	Department heads
Textbooks and classroom supplies	Continuing education and other programs
Classroom computers	Transportation
Professionals and para-professionals	Board administration and governance
Library and guidance	School operations
Staff development	

There is no provincial requirement for boards to align their spending to the individual components ***within*** the classroom and nonclassroom categories (except as noted in the limitations described below concerning administration and governance expenditures). It is the responsibility of the board to make the most effective allocation of funds among the classroom or nonclassroom categories, according to local needs.

School boards account for all their operating expenditures under these categories in order to report to the ministry concerning the total amount of their spending in the classroom.

Determining the classroom allocation

The enveloping provisions of student-focused funding allocate a specific amount of funding to the classroom for each board. Boards must show that they have spent an amount in classroom categories that is equal to (or greater than) this total allocation. Where a board does not spend its total 2001–02 classroom allocation in the classroom, the board must place funding to cover the shortfall in a reserve fund for classroom expenditures.

Student-focused funding creates each board's total allocation for classroom expenditures by attributing part of the Foundation Grant and each special purpose grant to classroom spending. A table in the regulation sets out a percentage of each allocation that is attributed to classroom spending.

For example, 80% of a board's Foundation Grant for elementary students, 75% of its Remote and Rural allocation for the elementary panel, and 78% of its Learning Opportunities Grant for the elementary panel, are attributed to the classroom expenditure allocation. Every special purpose grant has a specified percentage of funding attributed to the classroom, for the elementary and secondary panels (except the Continuing Education and Other Programs Grant, the Transportation Grant, and the Board Administration and Governance Grant, which are attributed entirely to nonclassroom expenditures).

Each board's total classroom expenditure allocation is the total of the amounts determined by multiplying its Foundation Grant and each special purpose grant by the percentages set out by the regulation. Because each board has a different proportional share of the special purpose grants, each board's total classroom expenditure allocation, as a proportion of its total operating funding, is slightly different.

Compliance in 2001–02

As in past years, school boards will continue to account for all their operating expenditures under the classroom and nonclassroom expenditure categories, in order to report to the ministry concerning the total amount of their spending in the classroom.

This creates a total flexibility fund among all school boards that is equivalent to the total increase ($360M) in student-focused funding in 2001–02.

As in past years, student-focused funding allocates a specific amount of classroom funding for each board. In 2001–02, this formula derived classroom allocation will exclude the total amount of the flexibility fund (as defined above). Boards must show that they have spent an amount in classroom categories that is equal to (or greater than) the sum of allocation plus the amount (if any) of the flexibility fund that they have spent in the classroom. Where a board does not spend the amount of its total 2001–02 classroom expenditure allocation in the classroom, the board must place funding to cover the shortfall in a reserve fund for classroom expenditures.

The special education envelope establishes the minimum that each board must spend on special education.

The Special Education Grant is enveloped and protected. The ministry specifies types of spending for which the grant may be used and the list of allowed costs. Boards are free to spend more on special education programs and supports. In general, boards must spend the entire amount of the special education expenditure envelope, as determined by the enveloping provisions of the regulation, for the additional costs of special education programs and supports (that is, the costs above the regular costs of pupils' education supported by the Foundation Grant and the special purpose grants). Any underspending of the special education expenditure envelope must be placed in a special education reserve fund.

In 2001–02, boards may use flexibly any increase to funding for special education. For example, boards with growing enrolment will receive more funding through the Special Education Per Pupil Amount (SEPPA). Any increase to the Special Education Grant between 200–01 and 2001-02 is outside the special education expenditure envelope.

The allocations for new pupil places and for school renewal establish the minimum that each board must spend on these components.

This restriction is intended to ensure that boards dedicate the resources provided for major repairs and new pupil places for the creation and renewal of safe and functional schools where students can learn.
Boards have significant flexibility on how this is done – whether through major renovation, replacement, leasing, additions, or other partnership agreements. Unspent funds in any particular year from these two allocations must be placed in a reserve. This reserve may be used in future as funding is needed to ensure the physical integrity and safety of school buildings.

The provision for increased flexibility in 2001–02 does not affect the enveloping provisions for new pupil places and school renewal. Boards must continue to use this funding for these purposes, or place unspent funds in a reserve.

The grant for school board administration and governance establishes the maximum that each board may spend on these functions.

Boards are free to move funds within the four components of the allocation for board administration and governance as long as they comply with the levels established on trustee compensation under the *Education Act*.

As a result of their increased flexibility in 2001–02, boards may allocate part or all of the amount of their flexibility fund to expenditures on administration or governance.

Provincial Transfers for 2001–02

The provincial share of student-focused funding for 2001–02 is calculated by deducting each board's revenue from property taxes for 2001–02 from the total funding allocation determined by student-focused funding. Tax revenue is based on 38% of 2001 property taxes and 62% of 2002 property taxes, plus 2001 supplementary taxes less 2001 tax write-offs.

For boards that include territory without municipal organization, the ministry will permit these boards to deduct actual costs for trustee elections from property tax revenue. Boards will have the flexibility to enter partnerships with other boards or adjacent municipalities to run elections efficiently.

For 2001-02, costs for tax collections by boards that include territories without municipal organization will be provided as follows: a base amount of $50,000 plus 2 percent of taxes levied in unorganized areas. The above will only be applicable to the tax collecting board in each unorganized area.

Where there is a strike, lockout, or withdrawal of services during the 2001–02 school year, the grants will be adjusted by the net savings resulting from the strike or withdrawal of services.

OMERS Reinvestment

Most nonteaching employees of school boards are members of the Ontario Municipal Employees Retirement System (OMERS). Because of surpluses in OMERS, school boards (like other employers) are not be required to make full pension contributions for OMERS employees during 2001–02 school year. As a result, boards have lower costs for employee benefits.

The salary and benefit benchmarks throughout student-focused funding reflect boards' costs for making pension contributions on behalf of their employees.

As was the case in 2000–01, the government is reinvesting the savings from the suspension of employer contributions to OMERS into the enhancements described above. The 2001–02 grants will be adjusted for the OMERS savings. As part of the Estimates forms, the ministry will again require boards to identify the amount of the OMERS savings that would be available for reinvestment. The ministry recovers these savings through a reduction to each board's total student-focused funding allocation.